



Special Devices v. OEA, 269 F. 3d 1120 (2001)

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Facts

- OEA holds the 263 patent relating to an all glass header assembly used to trigger inflation of an air bag.
- OEA outsourced production to Coors.
- Coors in turn sold units of the invention to OEA, prior to the critical date, one year before the filing of the patent application.
- OEA and Coors both filed patent applications on the same day prosecuted by the same patent counsel.
- Patent counsel did not disclose the sales to PTO.
- The 263 patent is issued to OEA with device and apparatus claims.
- The 492 patent is issued to Coors with method claims.
- Coors later filed an application to reissue that patent seeking device claims.
- The sales were disclosed.
- OEA filed a protest arguing on sale bar, and, at the same time, sent a cease and desist letter to Special Devices for infringement.
- Special Devices cross claimed patent invalidity.
- Attorney fees were sought.

Procedural History

- OEA appeals from a District Court decision holding that the underlying patent infringement suit was exceptional, justifying an award of attorney fees to Special Devices.

Issue

- Whether an award of attorney's fees in an exceptional case, pursuant to 35 USC 285, where that award is unquantified, is a final decision within the meaning of 28 USC 1295 (a)(1).

Holding

- An award of unquantified attorney fees, whether in the context of Rule 11 sanctions or other statutory authority for awarding attorney fees, is not a final decision.

Rationale

- The exceptionality determination highly influences the award setting.
- Piecemeal appeals are prevented.
- The Final Judgment Rule is intended to prevent a situation where there would be a second appeal contesting the amount of the attorney fees.
- Most sister Circuits have ruled similarly.